

UNITED STATES DISTRICT COURT

DISTRICT OF DELAWARE

ETHYPHARM S.A. FRANCE AND  
ETHYPHARM S.A. SPAIN,

Plaintiffs,

v.

BENTLEY PHARMACEUTICALS, INC.,

Defendant.

Civil Action No. 04-1300-SLR

**JOINT APPENDIX OF DEPOSITION TRANSCRIPTS**

**VOLUME IV  
(PAGES A-822 – A-1011)**

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Dated: August 25, 2006

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1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE DISTRICT OF DELAWARE

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5 ETHYPHARM S.A. FRANCE,

6 and ETHYPHARM S.A. SPAIN, :

7 Plaintiffs, :  
:

8 VS. : C.A. NO. 04-13000-SLR

9 BENTLEY PHARMACEUTICALS, :  
100-100-100

10 INC.,

12 - - - - - - - - - - - - - x

13

15 Videotaped Deposition of GÉRARD LEDUC

16 Washington, D.C.

17 9:17 a.m.

18

19

20 Job No.: 6740

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3		3	DIDIER DEVYNCK, Interpreter
4	BAACH, ROBINSON & LEWIS PLLC	4	T.J. O'TOOLE, Videographer
5	1201 F Street, N.W.	5	
6	Suite 500	6	
7	Washington, D.C. 20004	7	
8	(202)833-8900	8	
9		9	
10		10	
11		11	
12	Pursuant to agreement, before	12	
13	Tristan-Joseph, Registered Professional Reporter and	13	
14	Notary Public of the District of Columbia.	14	
15		15	
16		16	
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ESQUIRE DEPOSITION SERVICES

1-866-619-3925

JT-A-825

1 PROCEEDINGS	Page 14 09:02:59	1 GÉRARD LEDUC	Page 16
2 THE VIDEOGRAPHER: On the record with		2 Was called as a witness and, having first been duly	
3 tape number one of the videotaped deposition of		3 sworn, was examined and testified as follows:	
4 Mr. Gérard M. Leduc taken by the Defendants (sic)		4 EXAMINATION BY COUNSEL FOR THE DEFENDANT	
5 in the matter of Ethypharm S.A. France and	09:17:18	5 BY MR. STEWART:	09:19:21
6 Ethypharm S.A. Spain versus Bentley Pharmaceuticals		6 Q. Good morning, Mr. Leduc?	
7 Incorporated, in the United States District Court		7 A. (In English) Good morning.	
8 for the District of Delaware, Civil Action		8 Q. As you know, my name is Craig Stewart.	
9 No. 04-1300-SLR.		9 I represent the Defendant in this case Bentley	
10 This deposition is being held at the Law	09:17:39	10 Pharmaceuticals Incorporated.	09:19:27
11 Offices of Baach, Robinson & Lewis located at 1201		11 Okay. Would you please state your name	
12 F Street, Northwest, in Washington, D.C. on		12 and residence address for the record?	
13 July 15, 2006, at approximately 9:17 a.m.		13 A. My name is Gérard Leduc. I live at -	
14 My name is T.J. O'Toole representing		14 I live at La gauge (phonetic), La brosse in the	
15 Esquire Deposition Services. I am the Certified	09:17:58	15 department of Rue de in France.	09:19:58
16 Legal Video Specialist. The court reporter is		16 Q. Do you speak English?	
17 Tristan-Joseph also representing Esquire Deposition		17 A. Yes.	
18 Services.		18 Q. And do you write English?	
19 Will counsel please introduce themselves		19 A. (In English) Yes.	
20 and indicate which parties they represent.	09:18:12	20 (Through the Interpreter) Yes.	09:20:16
21 MR. STEWART: Craig Stewart. With me is		21 Q. And do you understand written English?	
22 Joseph Mingolla of the law firm of Edwards Angell		22 A. Yes.	
1 Palmer & Dodge, counsel for the Defendant Bentley	Page 15 09:18:19	1 Q. Do you speak Spanish?	Page 17 09:20:23
2 Pharmaceuticals Incorporated.		2 A. No.	
3 MR. BOSTWICK: Dwight Bostwick, and in		3 Q. Do you understand written Spanish?	
4 and out will be Jonathan Fine. Both of us are from		4 A. No.	
5 the law firm of Baach, Robinson & Lewis, and we	09:18:31	5 Q. Okay. Have you had your deposition	09:20:31
6 represent the Plaintiffs in this action.		6 taken before?	
7 THE VIDEOGRAPHER: Thank you.		7 A. In this case?	
8 Will the interpreter please identify		8 Q. In the United States.	
9 himself for the record.		9 A. No. I had a deposition for the United	
10 THE INTERPRETER: Didier Devynck, and	09:18:41	10 States but not in the United States.	09:20:59
11 I'm the Interpreter.		11 Q. Okay. As you probably know, then, you	
12 THE VIDEOGRAPHER: Thank you.		12 have sworn to tell the truth and there are	
13 Will the court reporter please swear in		13 penalties under U.S. law for not telling the truth.	
14 the interpreter.		14 Do you understand?	
15 Whereupon,	09:18:45	15 A. Correct.	09:21:22
16 DIDIER DEVYNCK		16 Q. Okay. And if at any time during this	
17 was sworn by the court reporter to interpret English		17 deposition you need to take a break, let us know	
18 into French and French into English.		18 and we will be happy to accommodate.	
19 THE VIDEOGRAPHER: Will the Interpreter		19 A. Thank you in advance.	
20 please assist the court reporter in swearing in the	09:18:55	20 Q. The only exception will be if I have	09:21:42
21 witness.		21 posed a question we will not take a break until	
22 Whereupon,		22 you've answered the pending question.	

5 (Pages 14 to 17)

ESQUIRE DEPOSITION SERVICES

1-866-619-3925

JT-A-826

1	Do you understand?	Page 18 09:21:51	1	A. Me and my family, 42.5.	Page 20 09:24:49
2	A. That's okay.		2	Q. Would you describe the business of	
3	Q. And Mr. Bostwick and I have agreed that		3	Ethypharm S.A.	
4	during these proceedings that during the break and		4	A. Certainly. The '85 model historically	
5	the -- that if there is a break in your testimony,	09:22:04	5	until today is to deliver products with a	09:25:22
6	that you are not permitted to discuss the substance		6	particular presentation. There being three	
7	7 of your testimony with your counsel.		7	technologies: The pellets, microgranules,	
8	Do you understand?		8	fast-dissolving tablets.	
9	A. Okay.		9	Q. Fast-dissolving tablets?	
10	Q. Okay. By whom are you employed, sir?	09:22:27	10	THE INTERPRETER: Yes.	09:26:15
11	A. Ethypharm S.A.		11	A. And presentations allowing absorption of	
12	Q. Where is the headquarters of		12	unsoluble products orally. The way we operate is	
13	Ethypharm S.A.?		13	to develop this product, all the technologies to	
14	A. In France.		14	make these products, and then give license to third	
15	Q. And what city?	09:22:49	15	parties. This means not only the technique but	09:27:06
16	A. Houdan.		16	also all the know-how from manufacturing, all the	
17	Q. Houdan?		17	know-how for registration, and all the know-how for	
18	A. H-O-U-D-A-N. In the department of		18	marketing.	
19	Yvelines.		19	Q. Registration of marketing, okay.	
20	Q. What facilities of Ethypharm S.A. are	09:23:04	20	A. Marketing to other large companies.	09:27:47
21	located in Saint-Cloud?		21	They will never sell directly.	
22	A. General services.		22	Q. I need a clarification. I understood	
1	Q. Where is your office?	Page 19 09:23:21	1	you to say that there were three main forms of	Page 21 09:28:02
2	A. In Saint-Cloud.		2	presentation.	
3	Q. What is located at Houdan?		3	A. Currently.	
4	A. The headquarters historically have not		4	Q. Pellets, one; microgranules --	
5	been changed, and also the very first plant.	09:23:44	5	A. Oh, he said microgranules are the same	09:28:24
6	Q. Okay. Ethypharm S.A. is a corporation;		6	thing.	
7	7 is that correct?		7	Q. Okay, good. And then -- so pellets and	
8	A. Yes.		8	microgranules is one. Yes? You have to say yes.	
9	Q. Is Ethypharm S.A. a publicly traded		9	A. (In English) Yes. (In French) oui.	
10	corporation?	09:23:59	10	Q. Because the stenographer.	09:28:39
11	A. No.		11	A. (In English) Yeah, okay. (In French)	
12	Q. When was Ethypharm S.A. formed as a		12	Oui.	
13	corporation?		13	Q. And fast-dissolving tablets is two?	
14	A. 1977.		14	A. Yes.	
15	Q. Was that founded by yourself and	09:24:21	15	Q. And technique to provide absorption	09:28:50
16	Mr. Patrice Debrégeas?		16	of -- absorption into the skin of insoluble	
17	A. No, but there were others.		17	pharmaceuticals?	
18	Q. Okay. Are you a stockholder in		18	A. Orally. Not for -- not for the skin.	
19	Ethypharm S.A.?		19	Q. Okay, oral absorption.	
20	A. Yes.	09:24:42	20	Ethypharm S.A. has wholly-owned	09:29:14
21	Q. And what is the percentage ownership		21	subsidiaries; does it not?	
22	that you have?		22	A. Yes.	

6 (Pages 18 to 21)

1 Q. And in 19 -- in 1991, one of its 2 wholly-owned subsidiaries was Ethypharm S.A. Spain; 3 is that right?	Page 22 09:29:23	1 Belmac S.A. or Laboratorious Belmac S.A. 2 Do you understand that Laboratorious 3 Belmac is a wholly-owned subsidiary of Bentley 4 Pharmaceuticals, Incorporated?	Page 24 09:33:25
4 A. Yes.			
5 Q. From time to time do you refer to 6 Ethypharm S.A., that is the French company as 7 Ethypharm S.A. France?	09:29:46	5 A. Yes, it's clearer now that Bentley 6 changed its name.	09:33:57
8 A. Yes.			
9 Q. Is there an easier way to -- when I'm 10 speaking of the French parent company, how should 11 I -- how should I say it?	09:30:12	7 Q. And you are aware that Bentley -- or can 8 we agree that Bentley -- that Bentley 9 Pharmaceuticals, Incorporated, changed its name in 10 or around January of 1996?	09:34:14
12 A. It's the company that owns all of the 13 subsidiaries, all the industrial policy, the 14 strategy, and the agreements go up as in all groups 15 to the mother company.	09:30:43	11 A. Yes, it's possible. I don't -- I don't 12 recall exactly, but that's about the date.	09:34:39
16 Q. My question is more simple. In -- in -- 17 during our deposition, if I refer to Ethypharm 18 France, will you understand that I'm referring to 19 the parent corporation?		13 Q. Okay. And that the name of Bentley 14 Pharmaceuticals before approximately that date was 15 Belmac Corporation?	
20 A. It seems natural.	09:31:09	16 A. That's correct.	
21 Q. Okay. And if I refer to Ethypharm 22 Spain, will you understand I'm referring to		17 Q. I may be -- when I refer to Belmac 18 Corporation, U.S., will you understand I'm 19 referring to the parent corporation, Belmac 20 Corporation?	09:35:01
		21 A. As for Ethypharm, yes.	
		22 Q. Okay. Describe for me, please, your	
1 Ethypharm's Spanish subsidiary?	Page 23 09:31:15	1 duties -- let me withdraw that.	Page 25 09:35:16
2 A. Yes.		2 What is your current title?	
3 Q. Okay.		3 A. President and CEO.	
4 MR. STEWART: May I have marked, please, 5 a copy of the Complaint.	09:31:28	4 Q. And for how long have you held that 5 title?	09:35:29
6 (Discussion held off the record.)		6 A. For Ethypharm S.A., since November of 7 2005.	
7 (Leduc Deposition Exhibit No. 1 was 8 marked for Identification.)		8 Q. That's for Ethypharm France?	
9 BY MR. STEWART:		9 A. Yes.	
10 Q. Mr. Leduc, I've -- we've had marked as 11 Exhibit 1 the Complaint in this action.	09:32:22	10 Q. What titles do you hold, if any, for 11 subsidiaries of Ethypharm France?	09:35:52
12 Do you recognize Exhibit 1 as the 13 Complaint that your counsel has filed against 14 Bentley Pharmaceuticals, Incorporated?		12 A. Just about always title of 13 administrator.	
15 A. Yes.	09:32:49	14 Q. What duties or power does the title 15 "administrator" typically carry?	09:36:20
16 Q. Did you see a draft of Exhibit 1 before 17 it was filed with the court?		16 A. There are variations according to the 17 countries, but, in general, that administrators of 18 the board. They participate in the strategy and 19 also in the decisions that are made by the mother 20 company. The application, they are very involved 21 in the application of the decisions that are made 22 by the mother company.	09:37:09
18 A. Yes.			
19 Q. Have you provided information that was 20 used in the Complaint?	09:33:06		
21 A. I think, yes.			
22 Q. The Complaint refers in many places to			

7 (Pages 22 to 25)

1 Q. Okay. And from the period 1990 through 2 2003 what position did you hold with Ethypharm 3 Spain?	Page 26 09:37:18	1 directly so it's a -- it's a license. 2 Q. So licensing? 3 A. Yes. For the rest, that is essentially 4 finance, we were doing that together. And during 5 that time, the company expanded and got structured.	Page 28 09:41:06
6 A. Administrator.	09:37:40	6 Beginning in '92 or '93, there were 7 assistant general managers or --	09:41:33
5 Q. And what position did you hold with 6 Ethypharm France from during the same period, 1990 7 through 19 -- through 2003?	09:37:40	8 THE WITNESS: (In English) Vice 9 presidents.	
8 A. General manager. And there was a change 9 in the law, and I don't know when, maybe three or 10 four years ago, and the title became delegate	09:38:16	10 A. (Through the Interpreter) -- vice 11 presidents that were hired and that were in charge 12 in my place of business relations or almost in 13 negotiations with local managers.	09:42:13
11 general manager.		14 And I think it's in '92 that the Claude 15 Dubois was hired as vice president, and he was in 16 charge with Spain and discussions with the United 17 States also.	09:42:37
12 Q. Delegate?		18 Pierre Germain followed suits, I'm -- I 19 don't know, maybe 2000, I think. And he took over, 20 maybe with some differences, at least the industry	09:43:14
13 THE INTERPRETER: Delegate.		21 activity, just little portions of the subsidiaries.	
14 Yeah.		22 One can talk a lot about the structure,	
15 MR. STEWART: Sorry?	09:38:26		
16 THE INTERPRETER: By law.			
17 MR. STEWART: By law.			
18 BY MR. STEWART:			
19 Q. Did the change in title make any 20 difference to your duties?	09:38:38		
21 A. No.			
22 Q. Please describe your duties from 1990			
1 until -- well, why don't we say up until 2 November of 2005.	Page 27 09:38:51	1 but I think this is sufficient to summarize.	Page 29 09:43:29
3 A. In Ethypharm S.A. there was -- there 4 were, at that time, two stockholders.		2 Q. That's fine.	
5 Q. I'm not -- and I may not have been 6 clear. I'm referring to -- I'm referring to your 7 title with respect to Ethypharm France -- I'm 8 sorry, your duties with respect to Ethypharm 9 France.	09:39:18	3 Did Pierre Germain take over the 4 responsibilities of Claude Dubois when Mr. Dubois 5 was terminated?	09:43:42
10 A. Let's go again. So at that time there 11 were two stockholders that was Mr. Debrégeas, he's 12 a pharmacist, and neither pharmacist, nor doctor. 13 So in the pharmaceutical laboratory in France, the 14 law requires that the president of the CEO -- or 15 the president and CEO or the general manager, they 16 are pharmacists.	09:39:33	6 A. I think he took over at least 7 three-quarters of his responsibilities with maybe a 8 small gap of a few months. I don't remember 9 exactly when one left and the other one came.	
17 So Patrice was dealing with all the 18 technique, the development plans. And I was in 19 charge of agreements -- agreements and industrial 20 property.	09:40:12	10 Q. With respect to Ethypharm Spain, what 11 were your specific responsibilities?	09:44:13
21 Q. And marketing?	09:40:47	12 MR. BOSTWICK: Objection. Time frame.	
22 A. We don't -- we don't sell products		13 MR. STEWART: From 1992 through 2002.	
		14 THE INTERPRETER: 2002, you say?	
		15 MR. STEWART: Yes, 1992 through 2002.	09:44:34
		16 THE WITNESS: I know we had a joint 17 intervention, all the technical problems were dealt 18 with by Patrice Debrégeas, and the other types of 19 problems were the responsibility of either Pierre 20 Germain or Claude Dubois, but I was always	09:45:19
		21 informed. I was -- I was kept in the loop. And 22 maybe not in detail but sufficiently to be -- to be	

8 (Pages 26 to 29)

1 informed, yes.	Page 30 09:45:41	1 liability company before becoming an S.A. 2 Q. Okay. 3 A. If you want details in French law, 4 you're almost obligated to turn a limited liability 5 company into an S.A. starting at a certain level of 6 sales because, otherwise, you have to multiply all 7 the commissioners and it becomes too heavy. 8 Because being a limited liability 9 company allows to get some exemptions, and there 10 are many more controls. And when the company 11 grows, these controls become too heavy. 12 But I can give you my card, and I'll 13 give you a consultation in French law, if you need 14 it. It was a joke. 15 Q. I understand. There is one point I am 16 curious about is when -- when you refer to a 17 limited liability company, what is the -- what's 18 the -- what do you understand is the basic concept 19 of a limited liability company as opposed to -- 20 MR. BOSTWICK: Objection. Calls for a 21 legal conclusion. 22 THE INTERPRETER: He understood the	Page 32 09:49:05
1 There are two different. Intellectual property 2 covers concepts and models but -- and designs, but 3 industrial property is mostly patents. 4 BY MR. STEWART: 5 Q. Okay.	Page 31 09:47:04	1 translation. 2 THE WITNESS: A limited liability 3 company has a capital x amount and its liability 4 towards third parties is not -- is not permitted 5 beyond this capital. 6 BY MR. STEWART: 7 Q. Okay. So that, for example, you, as a 8 shareholder, your personal assets would not be at 9 risk? 10 A. No, I didn't say that. I said a limited 11 liability company is not responsible -- is not 12 liable beyond its capital. But if the manager of 13 the company makes mistakes and then he can be -- he 14 can be called personally but not the company. 15 Q. Okay. Let me show you -- I'm going to 16 talk about the -- the first couple of years of the 17 relationship between, first, Ethypharm and a 18 company called Rimafar and then -- and then 19 Ethypharm and Laboratorium Belmac. 20 Was there a time that Ethypharm Spain 21 was having business dealings with a company called 22 Rimafar S.A.?	Page 33 09:51:03
6 A. It's the same thing in the United 7 States. 8 Q. Please continue. 9 A. So I had a private practice for five, 10 six years. But before that I also got an MBA.. And 11 when Ethypharm was created, I stopped my private 12 practice. 13 Q. How long did you -- did you have your 14 private practice? 15 A. Six or seven years. 16 Q. In France -- in France is there a 17 concept known as limited liability for 18 corporations? 19 A. Yes. 20 Q. Did you study that concept in law 21 school? 22 A. Yes. Yes. And Ethypharm was a limited	09:47:36	10 9:51:28	
	09:47:56	10 A. No, I didn't say that. I said a limited 11 liability company is not responsible -- is not 12 liable beyond its capital. But if the manager of 13 the company makes mistakes and then he can be -- he 14 can be called personally but not the company. 15 Q. Okay. Let me show you -- I'm going to 16 talk about the -- the first couple of years of the 17 relationship between, first, Ethypharm and a 18 company called Rimafar and then -- and then 19 Ethypharm and Laboratorium Belmac. 20 Was there a time that Ethypharm Spain 21 was having business dealings with a company called 22 Rimafar S.A.?	09:51:53

9 (Pages 30 to 33)

1 A. Absolutely.	Page 34 09:53:34	1 (Through the Interpreter) And in 1992, 2 European law that was enforced forced Spain to open 3 its borders but with a ten-year schedule for 4 enforcement, so we still have to. So we were in 5 the plant of the Made laboratories in Made.	Page 36 09:58:00
2 Q. Do you recall -- let me just --		6 Q. Of the?	
3 MR. STEWART: Let's have marked as the 4 next two exhibits -- yeah, yeah. Actually, let's 5 do this one as well.	09:53:49	7 A. The plant of the Made laboratory, which 8 was a subsidiary of the S.A. group.	
6 Exhibit 2 is a fax dated January 29, 7 1999. 8 (Leduc Deposition Exhibit No. 2 was 9 marked for Identification.)		9 Q. How do you spell "Made"?	
10 MR. STEWART: And then Exhibit 3, 11 another fax dated February 8, 1991. 12 (Leduc Deposition Exhibit No. 3 was 13 marked for Identification.)	09:54:23	10 A. M-A-D-E.	09:58:55
14 MR. BOSTWICK: Are you requesting that 15 he look and read both of these or . . . ?	09:55:13	11 Q. Okay.	
16 MR. STEWART: I just want to give him a 17 chance to look them over quickly.		12 A. The operations of Ethypharm -- Ethypharm 13 Spain were beginning to expand a lot, and it was no 14 longer possible to stay at Made, only for room 15 issues, capacity.	09:59:26
18 BY MR. STEWART:		16 Q. What was the -- well, what was the 17 business of Ethypharm Spain?	
19 Q. Do you -- do you recognize these 20 documents, Mr. Leduc, as copies of faxes that 21 were -- that pertained to Ethypharm Spain's 22 relationship with Rimafar?	09:55:27	18 MR. BOSTWICK: Objection. Vague.	
1 A. Yes, of course. That was sent to Eddie 2 from Spain and also it's a letter to Eddie from 3 France. It says discussions with Adolfo de 4 Basilio, who is responsible for France -- or for 5 Spain, were coordinated from France.	Page 35 09:55:58	19 THE WITNESS: We're just products with 20 the Spanish Department of Health and find the 21 licensees in Spain and manufacturer for them.	09:59:46
6 Q. Okay. And you were a recipient of these 7 two documents. Correct?		22	
8 A. Yes.			
9 Q. Describe for me, please, when -- first, 10 when did Ethypharm Spain begin dealing with 11 Rimafar S.A.?	09:56:43	1 BY MR. STEWART:	Page 37 09:59:57
12 A. The exact date, I don't have a precise 13 memory. Let's say in maybe 1990, that corresponds 14 to a change, were forced to find a way to 15 manufacture in Spain.	09:56:26	2 Q. What products were being manufactured by 3 Ethypharm Spain in the period 1990 to 1992?	
16 Since until 1992, it was not possible in 17 Spain to import from the city products in bulk, and 18 so the only solution was to manufacturer them in 19 Spain.	09:57:27	4 A. We contacted Rimafar. Rimafar was, at 5 the time, was a plant. And one plant told us that 6 they were interested in manufacturing for third 7 parties, and with transfer of our technologies and 8 working under our control without having to do a 9 specific pharmaceutical laboratory.	10:00:25
20 Q. Was that as -- was that as a matter of 21 Spanish law?	09:57:55	10 I think at the time our problems are 11 with four products: Felodipine, Vincamine, 12 Aspirine, and mostly Omeprazole and Lanzoprazole 13 also. And that was important, because in Spain it 14 was allowed and not in France to manufacture 15 Omeprazole.	10:01:07
22 A. (In English) Yes.		16 Q. Was that because in Spain Spanish law 17 did not recognize the patent that was -- that was 18 held in Omeprazole?	10:01:40
		19 A. Yes, as I said the law changed in '92. 20 And the products that were registered before '92, 21 whether or not they were patented in their country 22 of origin, weren't enforced in Spain.	10:02:22

10 (Pages 34 to 37)

1 Q. Who -- so in, let's say, 1991, what 2 products was -- what products were being 3 manufactured by Ethypharm Spain?	Page 38 10:02:32	1 And even recently in Spain, STV, a large 2 producer, we obtained the application of that 3 patent. They no longer have a patent. There 4 aren't very many companies, the companies at 5 Ethypharm that had patents in all the countries, 6 recognize and confirmed in all countries. And 7 that's why, for us, this product has a value that 8 it doesn't have for others.	Page 40 10:06:42
4 A. That's what I mentioned a little while 5 ago. Maybe I forgot one or two and maybe 6 Viclofenac also.	10:03:04	9 Q. So Felodipine, Vincamine, Aspirine and 8 Metrazole and Omeprazole?	10:07:02
7 Q. And Viclofenac.		10 A. And Viclofenac.	
10 Q. Could you -- how do we spell that?	10:03:20	11 Q. So in the period 1992 through 2003, did 10 Ethypharm have -- have a valid patent on 11 Omeprazole?	10:07:39
11 A. The active principal of the Voltaren in 12 the United States, V-I-C-L-O-F-E-N-A-C.		12 MR. BOSTWICK: I'm going to object on 13 the Phase II grounds here.	
13 Q. What is it used for?		14 THE WITNESS: The patents were not 15 delivered in all countries during that period. We 16 had initial patents but they were our improvements 17 also. It's a series of patents. It's not only one 18 patent.	10:08:10
14 A. Oh, pain.	10:04:02	19 BY MR. STEWART:	
15 (In English) Sorry, sorry.		20 Q. All right. Just a couple of more 21 questions in this area, just for background, and 22 then I'm done.	10:08:26
16 BY MR. STEWART:			
17 Q. So who held the -- what -- which -- 18 which companies or company held the patent on 19 Omeprazole?			
20 A. I think we filed the patents for 21 Omeprazole at Ethypharm Spain because that's where 22 we had to perform the development -- oh, finalize	10:04:36		
1 the development. Because the studies were 2 initiated, it took us about seven or eight years to 3 develop this product and it was in France and some 4 also in Canada.	Page 39 10:04:47	1 Did Ethypharm have a license arrangement 2 with AstraZeneca with regard to Omeprazole?	Page 41 10:08:37
5 Q. Did AstraZeneca also have a patent on 6 Omeprazole?	10:05:10	3 MR. BOSTWICK: Objection. Phase II.	
7 A. Absolutely.		4 THE WITNESS: Yes. But later in 1990 --	
8 Q. What other companies, to your knowledge, 9 claim patents on Omeprazole?		5 in '90, '91, '92, no, the agreements with 6 AstraZeneca must have been as far as I remember	10:09:09
10 MR. BOSTWICK: Objection. Time frame.	10:05:31	7 1996.	
11 BY MR. STEWART:		8 BY MR. STEWART:	
12 Q. 1992 and earlier. Actually, I'm 13 interested -- I'm interested in the -- in what 14 companies had patents in 1992.		9 Q. Okay.	
15 A. There were probably four or five 16 companies that did also a lot of work on Omeprazole 17 but very few got patents. And furthermore, there 18 are -- few of them did not see the patent cancelled 19 later.	10:05:59	10 A. Or later.	10:09:28
20 For example, there was a Turkish company 21 for which Ethypharm filed for proposition in Europe 22 but their patent was never delivered.	10:06:24	11 Q. Okay. Okay. So did Ethypharm Spain and 12 Ethypharm -- well, withdraw that.	
		13 Did Ethypharm Spain reach an agreement 14 with Rimsar S.A. in the period 1991?	
		15 A. Do you say Ethypharm Spain or Ethypharm 16 S.A.?	10:10:08
		17 Q. Well, first, let's take Ethypharm Spain.	
		18 A. Okay. I think I was -- I think I was 19 clear on one point. Ethypharm Spain was there to 20 administer things, but all the decisions,	10:10:49
		21 especially about agreements were made by Ethypharm 22 France, and that's why I asked the question.	

<p>1 Q. Fine. Then let's -- the -- was an 2 agreement reached between Ethypharm France and 3 Rimafar?</p> <p>4 A. An agreement was discussed in detail. 5 Since one day, and to date, that has been the case. 6 That's why we had a meeting in Madrid. That was 7 Mr. Debrégeas, myself, Adolfo de Basilio. And for 8 the other side, Guys Deliana and one or two other 9 team persons from Buenos Aires, including perhaps a 10 consultant who was a former director of Juan Bulonk 11 (phonetic). I'm not sure, but I think there was at 12 least -- and one other person. And they started 13 sending an agreement that had been exchanged 14 between us and that maybe included 20 pages.</p> <p>15 And I left the meeting because I had to 16 go back to Paris that evening. And when I left we 17 had finished signing approximately one-third of the 18 contract, and the rest had been discussed through 19 exchanges, I believe. And to my surprise -- to my 20 surprise, after I left, they went to a restaurant 21 and they never finalized the rest of the -- of the 22 agreement.</p>	Page 42 10:10:58	<p>1 Before transferring the information, the 2 signing of drastic confidential provisions, and the 3 recognition that the products for these products 4 and technologies, the contractor, before knowing 5 us, had absolutely no knowledge of.</p> <p>6 Even though, maybe, some elements may 7 have been known in some parts of the world, all the 8 companies of the group with which -- with which we 9 have agreements recognize that all the technologies 10 is ours and they didn't have any knowledge of it 11 before.</p> <p>12 Okay. The other important point was to 13 make sure that Rimafar had GNP facilities that we 14 could deliver to our customers with reasonable 15 quality, and Rimafar did not have them.</p> <p>16 So that, as we had done with Made, for 17 our part, which is the manufacturing of 18 microgranules, so we had to train the people and 19 tell them you have to do this, you have to do this, 20 you have to do that, and upgrade the manufacturing 21 level so that they would be able to deliver what 22 was required for both for manufacturing and for the</p>	Page 44 10:16:25 10:17:00 10:17:42 10:18:12 10:19:00
<p>1 And I understand from Patrice Debrégeas 2 that it was difficult afterwards because they did 3 not seem to really want to pursue the discussion. 4 But in the morning, 37 we were in agreement, 5 everything was moving forward normally.</p> <p>6 Q. Would you describe, please, what the -- 7 the basic terms of the agreement between Ethypharm 8 and Rimafar. And when I say "Ethypharm," I mean 9 Ethypharm Spain -- Ethypharm France as being 10 administered through Ethypharm Spain.</p> <p>11 MR. BOSTWICK: Objection. Ambiguous.</p> <p>12 THE WITNESS: And I say that is 13 relatively simple because it's like this in all the 14 countries of the world. And that was the case in 15 the previous agreements that we had with BASF.</p> <p>16 So the basis of the agreement, the 17 object was manufacturing for Ethypharm France or 18 Spain or any other company of the Ethypharm group 19 of products in the form of microgranules. Based on 20 technology and know-how and information from 21 Ethypharm France because everything goes back to 22 the mother company.</p>	Page 43 10:13:53 10:14:09 10:14:31 10:15:02 10:15:59	<p>1 other parts.</p> <p>2 To avoid all problems, we were also the 3 ones who were indicating which equipment had to be 4 purchased, all the size, which size and all the 5 specifications came from us.</p> <p>6 Q. Okay.</p> <p>7 A. Roughly, manufacturing agreement and 8 know-how to transfer like all pharmaceutical groups 9 do all the time without any problem.</p> <p>10 Q. Where was Rimafar's plant?</p> <p>11 A. Zaragoza.</p> <p>12 Q. And did Rimafar make any pharmaceutical 13 products for Ethypharm before it was purchased by 14 Belmac Corporation?</p> <p>15 A. I'm unable to answer precisely. In my 16 opinion, we had discussions. Since this contract 17 had not been signed in 1991, we must still have 18 been in discussions. But I think we had started 19 validation tests and things like that to advance on 20 the technical point, level.</p> <p>21 But again, we had not reached a final 22 agreement since, once again, we had -- had been</p>	Page 45 10:19:12 10:19:37 10:20:02 10:20:33 10:21:04

12 (Pages 42 to 45)

1 left with that partially signed agreement.	Page 46 10:21:22	1 THE INTERPRETER: Okay. 2 THE WITNESS: If you will, I will read 3 them to you in French. 4 BY MR. STEWART: 5 Q. And you'll translate that? 6 THE INTERPRETER: Okay. 7 MR. STEWART: And then we'll take a 8 break? 9 MR. BOSTWICK: Okay. 10 THE WITNESS: The first sentence is I 11 sent this to Patrice Debrégeas to ask him if he 12 agrees with that. And so from Patrice, this is a 13 matter that is concerning the roof. Then, 14 therefore, it is not to be followed by Adolfo. It 15 must be followed by Gérard Leduc, Pascal Oury, and 16 Patrice Debrégeas. 17 BY MR. STEWART: 18 Q. And the Adolfo you are referring to is 19 Adolfo de Basilio? 20 A. I think that's the only Adolfo I know in 21 Spain. The other -- the other one was Spain, and 22 it goes many years before. That's also a joke.	Page 48 10:24:55
1 take care of this point and then we can. 2 MR. BOSTWICK: No problem. 3 MR. STEWART: If I can remember. 4 MR. BOSTWICK: This is four? 5 Yes. 6 (Leduc Deposition Exhibit No. 4 was 7 marked for Identification.) 8 BY MR. STEWART: 9 Q. Mr. Leduc, I'm showing you what we've 10 marked as Exhibit 4. And for -- I'd ask if you 11 could look at the attachment to Mr. de Basilio's 12 fax. And -- and there's an English translation -- 13 A. (In English) okay. 14 Q. -- and see if that refreshes your memory 15 as to whether machinery, at least some machinery, 16 had been installed in the Rimafar plant. 17 A. What refreshes my memory in this exhibit 18 is the handwritten note that is there. 19 Q. Ah. And who's handwritten note is that? 20 A. For me, for the first two sentences, the 21 three lines after that, Mr. Debrégeas, and all the 22 rest from me.	Page 47 10:23:03 10:23:10 10:23:33 10:24:12 10:24:39	1 Q. I understand the jokes. Those 2 translate -- 3 A. (In English) Okay. 4 Q. -- just fine, yeah. 5 A. The product is interesting because I 6 tell Patrice Debrégeas. And as for me, I don't 7 have any problems as far as I'm concerned. But as 8 for the technical problems, it was to be clear with 9 Adolfo de Basilio and tell him not to intervene. 10 Similarly, management of the 11 collaboration with Rimafar is your responsibility. 12 That is what I want. That was the way of this. So 13 for me, I'm not even going to look in detail these 14 kind of things. The technical problems is for you 15 to look at. That this has two consequences and I 16 cannot tell -- first of all, I never went to the 17 Rimafar plant in my life. And I can be out of 18 order by dates because I'm totally unable to 19 remember exactly because I was not following that. 20 Q. Okay. 21 A. But, however, I can tell you that the 22 fact that I was writing this to my partner is rare	Page 49 10:26:08 10:26:16 10:26:46 10:27:15 10:27:42

13 (Pages 46 to 49)

	Page 50 10:27:53	1 Q. And what is this document? 2 A. That's the document I was referring to 3 earlier when I said that some pages had been signed 4 and not the rest, and I see six pages, and that's 5 exactly six pages. 6 Q. Okay. Whose -- the agreement is between 7 on the -- as it -- as it shows on the first page 8 between Ethypharm S.A. Spain and Laboratorious 9 Rimafar S.A.; is that right? 10 MR. BOSTWICK: Objection. 11 Characterization. 12 BY MR. STEWART: 13 Q. And I'll -- I'll make -- I'll make clear 14 that it is a draft of that. 15 A. Yes. 16 Q. Yes, okay. Whose handwriting appears on 17 the -- on the document? 18 A. Pérez de Ayala and Patrice Debrégeas, 19 right, Patrice Debrégeas. 20 Q. And Pérez de Ayala is listed as the 21 director general of Rimafar; is that right? 22 A. Yes, Rimafar is a purely Spanish	Page 52 10:41:13 10:41:39 10:42:04 10:42:21 10:42:45
1 THE VIDEOGRAPHER: This ends tape number 2 one of the Leduc deposition. The time is 10:29:05. 3 Off the record. 4 (Whereupon, at 10:29:05 a.m., a recess 5 was taken, and the proceedings resumed at 6 10:40:15 a.m., this same day.) 7 (Leduc Deposition Exhibit No. 5 was 8 marked for Identification.) 9 THE VIDEOGRAPHER: On the record with 10 tape number two of the testimony of Gérard Leduc in 11 the matter of Ethypharm versus Bentley 12 Pharmaceuticals. The date is July 15, 2006. The 13 time is 10:40:15. 14 BY MR. STEWART: 15 Q. Mr. Leduc, during the break, we've 16 marked a document with a date of November 29, 1991, 17 and the Spanish title is Contrato De Fabricación, 18 and it's been marked as -- okay. 19 And that this has been marked as Exhibit 20 5? Okay. 21 Do you recognize Exhibit 5? 22 A. Yes.	Page 51 10:29:14 10:29:21 10:40:17 10:40:33 10:41:07	1 company. 2 Q. Okay. And at the time that this -- at 3 the time that this document was initialed had the 4 United States Belmac Corporation purchased Rimafar 5 to your knowledge? 6 A. No, I don't think so. 7 Q. Have you had any contact with the U.S. 8 Belmac Corporation, later that became Bentley? 9 MR. BOSTWICK: Objection. Time frame. 10 BY MR. STEWART: 11 Q. At any time from November 29, 1991, 12 earlier. 13 A. Concerning Rimafar, no. 14 Q. Have you had any contact with Belmac 15 Corporation U.S., later Bentley, in any other 16 capacity? 17 A. When? 18 Q. 1991. 19 A. What I remember clearly is in the 20 discussions with the Belmac Corporation. And when 21 I say "Belmac," it's Belmac U.S. because I only see 22 one person in the U.S. It was the president,	Page 53 10:43:04 10:43:24 10:43:50 10:44:08 10:44:52

14 (Pages 50 to 53)

1 first, with Jean-Francois Rossignol, who was in 2 Tampa I believe. Before the purchase of Rimafar, 3 yes, we discussed it with somebody I've known for 4 20 years. Jean-Francois Rossignol, I was 5 discussing it with him when it was with Carloerbe 6 in New York on other projects.	Page 54 10:45:03	1 BY MR. STEWART: 2 Q. To your knowledge did the U.S. Belmac 3 Corporation have any manufacturing facilities when 4 it purchased Rimafar?	Page 56 10:49:01
7 Q. Carlo?	10:45:34	5 A. When?	10:49:28
8 A. Carloerbe. It's an Italian group.	10:45:52	6 Q. In the United States.	
9 Q. How do we spell Carloerbe?	10:46:31	7 A. I don't think it had an American 8 presence. They had headquarters that's for sure 9 and different laboratories. And I have developed 10 that product in India and in China. And Ethypharm	10:50:00
10 A. C-A -- C-A-R-L-O-E-R-B-E.	10:46:52	11 France is driving things there. 12 And the fact that you don't have a 13 facility in the United States doesn't mean that 14 you're not in charge of operations. But I don't 15 think they had manufacturing facilities in the U.S.	10:50:29
11 But I don't see what that has to do with 12 what's the matter at hand. It's a completely 13 different subject. I don't know exactly when 14 Belmac Corporation bought Rimafar. But what I know 15 is that for all -- on all these important matters 16 concerning Spain, we were able to discuss jointly 17 with the U.S.	10:47:19	16 Q. Okay. Did Belmac Corporation U.S., to 17 your knowledge, have any -- was it in the business 18 of manufacturing microgranules?	
18 Q. Okay. Pérez de Ayala was the -- well -- 19 is -- was the director general of Rimafar at the 20 time of this draft agreement. Correct?	10:47:58	19 A. No.	
21 A. Yes.	10:48:21	20 Q. Okay. Okay.	10:50:56
22 Q. And he continued as director general		21 MR. STEWART: Do we have -- we're going 22 to mark a couple of exhibits.	
1 after the U.S. Belmac Corporation acquired Rimafar. 2 Correct?	Page 55 10:47:09	1 First, a -- another draft of a Contrato 2 De Fabricación with a fax cover posted, dated 3 March 31, 1992. The draft agreement date is 4 March 24, 1992. That would be six.	Page 57 10:51:00
3 MR. BOSTWICK: Objection. Time frame.		5 Oh, sorry. The translation should be 6 clipped. There you go.	10:51:42
4 THE WITNESS: Yes, I think so.		7 Then a letter dated June 23, 1992, from 8 Mr. Leduc.	
5 BY MR. STEWART:	10:47:19	9 And a letter -- a facsimile transmission 10 from Angel Pérez de Ayala to Mr. Leduc.	10:52:29
6 Q. Okay. What was your first -- what was 7 your first contact with the U.S. Belmac Corporation 8 following the purchase of -- by Belmac Corporation 9 of Rimafar?	10:47:58	11 (Leduc Deposition Exhibit Nos. 6 12 through 8 were marked for 13 Identification.)	
10 A. We had contacts I think -- and I think 11 with Rossignol.	10:48:21	14 BY MR. STEWART: 15 Q. Mr. Leduc, you're aware that at some 16 time after U.S. Belmac Corporation acquired Rimafar 17 that Rimafar's name was changed to Laboratorios 18 Belmac S.A.; is that correct?	10:53:11
12 Q. Who was -- who is Rossignol?		19 A. Yes.	
13 A. He was the president of Belmac before 14 Jim Murphy. And afterwards, with Mr. Murphy 15 directly.		20 Q. Okay. And have you -- if you take a 21 look at the document we've marked as Exhibit 6, 22 dated March 24, 1992.	10:53:36
16 Q. Do you have in mind a date of your first 17 contact with Belmac Corporation?			
18 A. No.			
19 Q. Okay.			
20 MR. STEWART: (To Mr. Mingolla) Let's 21 have two documents but it came to three actually. 22 This one (indicating.)	10:48:57		

15 (Pages 54 to 57)

1 A. Yes.	Page 58 10:53:55	1 Belmac Corporation U.S.A.?	Page 60 10:57:32
2 Q. Do you know who prepared this document?		2 A. Okay. I did make that, kind of,	
3 A. No.		3 comment, but I indicated in my letter that -- I	
4 Q. Did you ever review it?		4 said in my letter that things weren't in agreement,	
5 A. I probably have read it, yes. I don't	10:54:16	5 that Pérez de Ayala was sending us things that	10:58:40
6 recall.		6 obviously were discussed with the United States.	
7 Q. And was -- was this document ever signed		7 The big difference was that before	
8 to your knowledge?		8 Rimafar was in Spain and now you always had to	
9 A. I don't think it was signed but I'm not	10:54:44	9 wait, there were always gaps. It was clear that	
10 sure.		10 things had to be discussed with the United States,	10:59:07
11 Q. Okay.		11 it was the only solution. Nothing was happening	
12 A. If I read now, I think some things are		12 anymore in Spain. They had lost -- that had lost	
13 missing, so I don't think it was signed like this.		13 the autonomy because their mother company had	
14 Q. Okay. What was your responsibility with		14 changed their name.	
15 respect to contracts of this type?	10:55:08	15 Q. My question is: Did you ever consider	10:59:27
16 MR. BOSTWICK: Objection. Vague. And		16 having Belmac Corporation U.S. be part of the	
17 time frame.		17 manufacturing agreement?	
18 MR. STEWART: The time frame I will put		18 A. At that time, no. There was no reason.	
19 in 1992.		19 The strategy and decisions were made both by Paris	
20 MR. BOSTWICK: My other objection	10:55:29	20 and by the United States. And the music was played	11:00:12
21 stands.		21 in Spain. It's just like writing a score, and then	
22 THE WITNESS: For manufacturing		22 after that, you have musicians who played, and	
1 contracts, I was taking a look at them and was	Page 59 10:55:36	1 that's exactly that.	Page 61 11:00:37
2 giving my agreement. But the manufacturing		2 But it was considered later, because	
3 portion, like I indicated before, was not something		3 several years later Jim Murray asked us if it was	
4 I was supervising; that the legal issues and the		4 possible to have an agreement with a transfer to	
5 know-how and the coverage and partition that, yes,	10:56:06	5 the United States. The same thing, if you had had	11:01:00
6 I was looking at very thoroughly. And that's the		6 a company in Scandinavia, I assume it's the United	
7 tenor of my reply of June 23rd.		7 States would have asked us. That's normal.	
8 BY MR. STEWART:		8 Q. I don't understand that last part.	
9 Q. So was it your -- was it understood		9 Would have asked what?	
10 in -- in Ethypharm that contracts of this type	10:56:29	10 A. That's an example, when you transfer	11:01:36
11 needed your approval before they would be signed?		11 know-how, you will discuss with a mother company	
12 MR. BOSTWICK: Pardon me. Same		12 the technique and the detail. You do that with a	
13 objections.		13 subsidiary, but the -- all the -- all the important	
14 THE WITNESS: It's not as formal as		14 things other than the mother company. Even if it	
15 this, but, let's say, that I have to look at them,	10:57:05	15 is signed locally, that doesn't change anything.	11:01:55
16 and if I had comments about that, yes, I was		16 I want to make a comment at this level.	
17 supposed to make my comments.		17 It is so obvious that I'm wondering why the	
18 BY MR. STEWART:		18 question was asked three or four times.	
19 Q. Did you make any comment that this		19 Q. Which question was that?	
20 document was to be signed between Ethypharm S.A.	10:57:17	20 A. Why you were discussing with the United	11:02:37
21 and Laboratorios Belmac S.A. and not between		21 States and why it was not done only with Spain.	
22 Ethypharm S.A. and Laboratorios Belmac S.A. and		22 It's as simple as that. All of the questions bring	

16 (Pages 58 to 61)

1 back to that point. When the Rimafar or Belmac	Page 62 11:02:54	1 Spain, we were discussing but there was no	Page 64 11:06:22
2 Spain sends something for an agreement, it's always		2 possibility.	
3 France that receives them and discusses them.		3 Q. I'm sorry, what was that, the reason?	
4 Q. Well, I'm a little lost in terms of your	11:03:19	4 THE INTERPRETER: The reason was a	
5 question to me but let me -- let me go on.		5 blocked situation, the situation in Spain --	11:06:30
6 At the time of Exhibit 6, March of 1992,		6 Q. Once blocked?	
7 had you had any discussions of any kind with Jim		7 THE INTERPRETER: -- we were discussing,	
8 Murphy?		8 there was no possibility.	
9 A. I don't recall. I don't think he had --	11:03:56	9 THE WITNESS: (In English) No decision	
10 he was there at that time.		10 from the Spanish.	11:06:35
11 Q. Okay. Let's turn to Exhibit 7 I think		11 BY MR. STEWART:	
12 you have in front of you.		12 Q. Would you look at the fax from Mr. Pérez	
13 A. (In French) Oui.		13 de Ayala to mister -- to yourself Mr. Leduc,	
14 Q. In the letter would you read, please,		14 Exhibit 8.	
15 the fourth paragraph. Actually, let's start with	11:04:16	15 Is this Mr. Pérez de Ayala's response to	11:06:59
16 the third paragraph.		16 your letter of -- to your fax of June 23, 1992?	
17 MR. BOSTWICK: To himself?		17 A. Yes, it's a reply.	
18 MR. STEWART: No, out loud please.		18 Q. And did you ever receive a response from	
19 MR. BOSTWICK: You want him to read that	11:04:35	19 Belmac Corporation in the United States?	
20 in French out loud?		20 A. I cannot confirm or not. What I know is	11:07:43
21 MR. STEWART: Yes, I just want to have		21 that I finally got -- well, seen y'all at one time	
22 the translation to make sure we're set on that.		22 or another that's for sure.	
1 MR. BOSTWICK: I'm just --	Page 63 11:04:45	1 Q. Take a look at the letter that Mr. Pérez	Page 65 11:08:12
2 BY MR. STEWART:		2 de Ayala wrote to you. Paragraph -- he has a point	
3 Q. "I suggest you insisting with."		3 sixth, I think he calls it. And I'm -- I will read	
4 A. "I suggest you insist with		4 that to you and you could, perhaps, translate that.	
5 Mr. Jean-Francois Rossignol so that I can finally	11:04:47	5 All right?	11:08:36
6 have a direct relationship to settle this issue. I		6 "The relationship between Rimafar and	
7 have left many messages at Belmac, both in France		7 Ethypharm is previous to the appearance of our	
8 and the United States for more than three months		8 president Mr. Rossignol and I am obliged to clarify	
9 without having any feedback."		9 this point myself."	
10 Q. Okay. Who did you -- who did you leave	11:05:17	10 What -- what did you understand him to	11:08:59
11 the messages with in Belmac in France?		11 mean by that?	
12 A. I think I requested a conversation with		12 A. I understood by that, I'm still the one	
13 Jean-Francois Rossignol.		13 in charge of the relationship and we must move	
14 Q. Did you -- did the U.S. Belmac		14 forward, and I'm still in charge.	
15 Corporation have an office in France?	11:05:42	15 Q. That is Mr. Ayala saying he was --	11:09:29
16 A. They had a subsidiary in France, yes.		16 A. (In English) Yes.	
17 Q. Okay. And who did you leave messages		17 Q. -- still in charge?	
18 with at Belmac Corporation in the U.S.?		18 A. Yes.	
19 A. Suddenly the same thing, to try to have		19 Q. Let's turn to, let's see, Manifesta.	
20 Rossingol on the phone.	11:06:09	20 The fax cover sheet of October 11, 1992, from	11:09:45
21 Q. Okay. And turn --		21 Adolfo Basilio -- de Basilio with an attached	
22 A. The reason, a blocked situation in		22 document called Manifesta.	

17 (Pages 62 to 65)

1	(Leduc Deposition Exhibit No. 9 was 2 marked for Identification.) 3 BY MR. STEWART: 4 Q. Okay. Do you recognize that exhibit -- 5 that Mr. de Basilio's fax was addressed to 6 Mr. Debrégeas and yourself, Mr. Leduc? 7 A. Yes. 8 Q. And can you tell us what this -- what 9 this Manifesta -- Manifesta was? 10 A. Two things. I don't see any handwritten 11 things by me. I see one from Patrice. I don't see 12 anything from me. It is about the communication of 13 a purely technical elements, at least machinery to 14 be used for manufacturing and technical documents, 15 completely technical, as a type of agreement that 16 is normal to do locally. And I question the fact 17 that they had to look very thoroughly at these 18 kinds of things. 19 Q. So did you say that you -- that you -- 20 THE INTERPRETER: I doubt -- he doubts 21 the fact. 22 MR. STEWART: You doubt that you.	Page 66 11:10:04	1 THE WITNESS: Since I never went there, 2 it's a little difficult. But I imagine there might 3 have been something like between 70 and 120, 130 4 people. 5 BY MR. STEWART: 6 Q. And as I understand it, Ethypharm had 7 supplied machinery for the manufacturer of micro 8 pellets; is that correct? 9 A. Probably, yes. Again, I cannot get into 10 the details of the technical part but I believe 11 it's correct. 12 Q. Okay. In addition to that -- that 13 machinery, are you aware of what other machinery 14 Laboritorious Belmac had at Zaragoza? 15 A. No, same answer. I do not -- I know 16 nothing about that. 17 Q. Would you describe, please, the 18 financial arrangements between Laboritorious 19 Belmac and -- and Ethypharm. Who was being paid 20 for what? 21 MR. BOSTWICK: Objection. Vague. And 22 time frame.	Page 68 11:13:54
1	THE INTERPRETER: That's right. Doubts. 2 MR. STEWART: Okay, fine. 3 BY MR. STEWART: 4 Q. Who was going to be -- which company was 5 going to be the production of the pharmaceutical 6 products of Ethypharm? 7 A. By law, it was the ones who were holding 8 a fee chart, so it was a Spanish company. There 9 was no way to do it otherwise. 10 Q. So that would have been Laboritorious 11 Belmac? 12 A. Yes, it was total obligation. 13 Q. Okay. And Laboritorious Belmac had a 14 manufacturing facility in Zaragoza, Spain. 15 Correct? 16 A. Yes. 17 Q. What was your understanding as to the 18 number of employees that Laboritorious Belmac had 19 at the plant and at its headquarters from -- at any 20 time from 1992 to 2002? 21 MR. BOSTWICK: Objection. Form. 22 Ambiguous.	Page 67 11:12:32	1 MR. STEWART: The time frame is -- let's 2 take it -- I'm interested in the financial 3 arrangements from 1992 through 2002. I understand 4 they may have changed. 5 MR. BOSTWICK: Same objection. 6 BY MR. STEWART: 7 Q. Can you answer my question? 8 A. I'm going to answer on a general level. 9 When one does a contracting agreement with someone, 10 you try to understand what price they're going to 11 be able to manufacturer, given their local labor 12 costs, and you try to negotiate something where 13 both have an acceptable margin. And this after 14 that is translated into either royalties or -- 15 THE WITNESS: (In English) Margin. 16 THE INTERPRETER: Margin. 17 THE WITNESS: In the case of Belmac 18 Spain, there was an important additional element. 19 They had understood that the -- all the product 20 that we were developing was very important for the 21 Spanish market. 22 And they quickly -- they quickly	Page 69 11:15:29

18 (Pages 66 to 69)

		Page 70 11:17:27		Page 72 11:20:09
1 discussed the fact that they could have the 2 manufacturing for -- for their own products. There 3 was a very high interest for us for their classical 4 Spanish -- for them, yeah, for them, sorry, for 5 them for their classical Spanish business.	11:17:46	1 manufacturing -- to manufacture in acceptable 2 quantities. And then we agree on the role by which 3 you have one part of the margin and we have the 4 other part.		
6 BY MR. STEWART:		5 At this point, I hope since you asked 6 your question, about which you have complete 7 knowledge, you understand the difference between 8 having a registration with a department with 9 registration papers and being able to manufacture	11:20:34	
7 Q. When you say classical Spanish 8 business --	11:17:54	10 the product, which is completely different.		11:21:06
9 THE INTERPRETER: They're unusual or 10 they're normal.	11:17:54	11 Because in the case of Omeprazole with 12 Rimafar, I believe had the technical documents that 13 were coming from a third party.		
11 THE WITNESS: Yeah, generics were their 12 important business.		14 BY MR. STEWART:		
13 BY MR. STEWART:		15 Q. For manufacturer or for registration?	11:21:29	
14 Q. What was your understanding of their, as 15 you put it, their classical business, their usual 16 business?	11:18:07	16 A. For both. That means they didn't have 17 the technology. They had the registration know-how 18 but not the manufacturing know-how. What was 19 missing was the manufacturing, that was the 20 interest for us to have that.		11:21:59
17 THE INTERPRETER: What was that?		21 Q. You've -- you've gone into an area which 22 I am going to pursue not long but --		
18 BY MR. STEWART:				
19 Q. What -- what is -- what is -- what is 20 your understanding, Mr. Leduc?	11:18:15			
21 MR. BOSTWICK: Objection. Vague.				
22 THE WITNESS: Their classical activities				
1 was the manufacturing of generic products for the 2 Spanish market and then to be able to do it for 3 other territories outside. They always wanted to 4 do that.	Page 71 11:18:28	1 A. (In English) Okay. 2 Q. -- before we do that, I want to finish 3 our discussion regarding the financial deal? 4 A. (In English) Please go ahead. 5 Q. Okay. The -- as I understand it,	Page 73 11:22:08	
5 BY MR. STEWART:	11:18:40	6 Ethypharm sold finished micro pellets of Omeprazole 7 to Laboratorios Belmac so that it could sell to 8 its own customers; is that correct?	11:22:16	
6 Q. So what I'm -- what I'm trying to 7 understand, and I have some knowledge of it but not 8 complete, what were the elements of the -- of the 9 deal between Ethypharm and Ethypharm Spain?		9 THE INTERPRETER: Did you say Belmac		
10 MR. BOSTWICK: Objection.	11:19:07	10 Spain?	11:22:51	
11 Characterization and form.		11 MR. STEWART: Laboratorios Belmac.		
12 THE WITNESS: (In English) Saint Paul, 13 we give you -- we transfer to you all the details 14 out to the manufacturing of several products, 15 including Omeprazole. We give you also --		12 THE WITNESS: No.		
16 (Through the Interpreter) We'll transfer 17 to you what is necessary for the manufacturing of 18 several products. The same thing for all that is 19 related to manufacturing. We are able to tell you 20 which machine to use, et cetera.	11:19:37	13 BY MR. STEWART:		
21 The same thing for analytical 22 techniques. Then you tell us what it costs to	11:19:54	14 Q. No. Did Ethypharm sell Belmac -- 15 sell -- sell anybody tablets that it had -- that 16 Belmac had manufactured?	11:23:05	
		17 A. First of all, it's a little upsetting 18 that there's no tablets. We've been talking about 19 capsules from the beginning.		
		20 Q. Sorry, sorry. No, I --	11:23:32	
		21 A. He said the basic problem so.		
		22 Q. No, I should have -- I should have		

19 (Pages 70 to 73)

1 corrected it myself. I knew that. Okay. Sorry.	Page 74 11:23:38	1 MR. BOSTWICK: Objection. Time frame.	Page 76 11:27:41
2 Okay. So --		2 BY MR. STEWART:	
3 A. The pattern is exactly opposite to what		3 Q. And between --	
4 described in the -- at first. We just left out the		4 A. Yes.	
5 equipment to do the manufacturing, the registration	11:24:10	5 Q. -- 1990 -- at any time between 1992 and	11:27:45
6 of the products, et cetera. And for our --		6 2002.	
7 Q. Yes.		7 A. At any time, I don't know. But at this	
8 A. -- Spanish customers, we had to		8 other time, yes. Yeah, there were these products	
9 manufacture locally, and Belmac had to too, and		9 and I think they had started a registration within	
10 that's what they did actually. They could not sell	11:24:36	10 an agreement that they could not make these	11:28:14
11 to third parties. They had to sell directly to our		11 products with Andromaco or STV, I don't remember,	
12 customers or to customers if they found some, but		12 our competitors.	
13 with our agreement. And their interest was to have		13 Q. Did you say that they did -- that	
14 this publication margin because, for us, Belmac		14 they -- that -- that Belmac was entering into	
15 Rimafar was a manufacturing plant, nothing else.	11:25:13	15 agreements with your competitors?	11:28:35
16 As such, we gave them later a list of		16 A. I think they had agreements for the	
17 our customers and prices and putting forth some		17 registration before they had asked to be able to	
18 experts, like we did. And that's the parent.		18 use our -- okay, yeah. Before -- before being able	
19 Q. All right. When you say that Ethypharm	11:25:51	19 to use our manufacturing for their products.	
20 had to manufacture locally, as I understand it,		20 Q. But at some point did Ethypharm agree	11:29:19
21 that means that Ethypharm needed to have a Spanish		21 that it would sell to Belmac, sell to	
22 manufacturing facility; is that right?		22 Laboriatorious Belmac, the Omeprazole product for	
1 A. Yes, or have an agreement with the	Page 75 11:26:22	1 them to, in turn, sell to Laboriatorious Belmac	Page 77 11:29:33
2 Spanish manufacturer.		2 customers?	
3 Q. Okay. And was there a certificate? Was		3 A. In pharmacy, first of all, when you	
4 there a license that, or some other official		4 change manufacturing and manufacturing is not the	
5 document, that Belmac needed, Laboriatorious Belmac	11:26:37	5 same you have to file these verifications with the	11:30:09
6 needed, from the government of Spain?		6 departments. When they asked us and they said we	
7 MR. BOSTWICK: Objection. Vague.		7 purchase from third parties, so I think it was just	
8 THE WITNESS: Of course. A fecha.		8 like the launch. I'm not absolutely sure. And	
9 BY MR. STEWART:		9 they probably came to see us and they said we know	
10 Q. A fecha?	11:26:59	10 the Spanish market. We can probably bring you	11:30:50
11 A. I am unable to translate.		11 customers. Why not discuss this? And that's all.	
12 Q. Okay.		12 Q. Did Ethypharm ever sell Omeprazole to	
13 A. In Spanish it's called a fecha.		13 Laboriatorious Belmac for its own use?	
14 Q. Okay. And --		14 MR. BOSTWICK: Objection. Vague.	
15 A. These are things that could be	11:27:10	15 THE WITNESS: This has been definitely	11:31:44
16 purchased. It was expensive at the time but.		16 discussed when Belmac saw that we had developed a	
17 Q. Okay. And Belmac -- Laboriatorious		17 very stable formulation using water instead of the	
18 Belmac had that fecha?		18 organic excipient. And knowing that, in pharmacy,	
19 A. Yes.		19 organic excipients disappear more and more for	
20 Q. Okay. Now I understand that	11:27:21	20 environmental reasons and also for toxicity	11:32:12
21 Laboriatorious Belmac marketed its own brand of		21 reasons.	
22 Omeprazole called Belmazol.		22 And they asked us if it would be	

20 (Pages 74 to 77)

	Page 78 11:32:27	1 sold what to whom and what moneys were obtained? 11:37:10 2 That's all I want to know. 3 MR. BOSTWICK: Objection. Vague. 4 THE WITNESS: I already answered the 5 same question -- 11:37:29 6 MR. STEWART: Okay. 7 THE WITNESS: -- ten minutes ago. 8 BY MR. STEWART: 9 Q. Okay. All right. Did Ethypharm ever 10 ship any product to Belmac Corporation U.S. or to 11:37:41 11 Bentley in the United States? 12 A. I don't know. What I know is that when 13 we discussed the possibility of license one 14 American laboratory was -- that was -- 15 THE INTERPRETER: The name? 11:38:25 16 THE WITNESS: Burks, Manuel & Rosel. 17 There was somebody with us, supplier of 18 raw materials. And were mentioned that if the 19 product was to come from Spain the lab had to -- 20 the lab had to inspect at our contractor's Belmac. 11:39:02 21 Some time later we were surprised to see 22 that Bentley was making proposals, no, not making
1 Claude Dubois but also by the financial director. 2 Q. What's his name? 3 A. Enrique Igouet. And I don't know the 4 detail of -- the details of invoicing between the 5 two companies. 6 Q. Did -- did Ethypharm ever receive an 7 invoice from U.S. Belmac Corporation or later from 8 Bentley Pharmaceuticals for anything? 9 A. I don't think there had been any 10 invoice. But what was clear -- what was clear when 11 we had the dissolution of rules or the distribution 12 of new technologies, et cetera, Murphy would come 13 and see Pierre Germain, Claude Dubois, and myself 14 two or three times in Paris. So the rules were set 15 in as detailed a way as possible but, once again, 16 the music was played in Spain. 17 Q. All right. Right now, all I want to 18 know is, is what were the rules? Regardless of who 19 set the rules, I just -- I just want to hear a 20 clear statement of what were the -- what were the 21 terms between Ethypharm and Laboriatorious Belmac, 22 regardless of who set the terms, in terms of who	Page 79 11:34:55	1 proposals. They were doing advertisement saying 11:39:27 2 that they had the ability to manufacture 3 Omeprazole. And we saw signs of the American 4 market that there were proposing to license 5 generics in the United States. 11:39:53 6 MR. STEWART: Can I have my question 7 back to Mr. Leduc please before this answer. 8 (Whereupon, the court reporter read back 9 the pertinent portion of the record.) 10 BY MR. STEWART: 11:40:00 11 Q. Do you have my question? What is the 12 answer to my question? 13 A. What did I answer? 14 (Whereupon, the court reporter read back 15 the previous answer.) 11:47:24 16 THE WITNESS: (In English) No, before. 17 A little bit before I said something. 18 (Whereupon, the court reporter read back 19 the pertinent portion of the record.) 20 BY MR. STEWART: 11:41:23 21 Q. So I don't know? Is that your answer to 22 -- was that your answer to my question?

21 (Pages 78 to 81)

	Page 82 11:41:24	1 Q. What years were those? 2 A. Between '96, '97, and 2002, I think. It 3 was essentially people from my side who are 4 managing the normal contacts between both sides. 5 And then, again, contacts with Jim Murphy when he 6 appeared with the Belmac Corporation and then 7 Bentley in the United States. 8 (Interrupted translation.) 9 Q. Before we get -- before we get to Jim 10 Murphy, let me -- let's go back to Laboritorious 11 Belmac, okay? How about -- how about -- 12 A. Mr. Ariard (phonetic), I don't remember 13 if it was somebody from -- 14 Q. My -- just we're getting a little -- 15 THE INTERPRETER: Okay.	Page 84 11:55:19 11:56:23 11:56:35 11:57:03 11:57:14
1 (Whereupon, the court reporter read back 2 the pertinent portion of the record.) 3 A. I don't know. 4 Q. You don't know? 5 A. (In English) No. I don't believe the -- 6 Q. Do you have any information which would 7 suggest to you that Bentley Pharmaceuticals, Inc. 8 ever shipped any product to Ethypharm? 9 A. Why -- why would Bentley ship products 10 to Ethypharm? 11 Q. I have no idea. I'm asking you -- I'm 12 asking you whether you have any information that 13 Bentley Pharmaceuticals, Inc., ever shipped product 14 to Ethypharm? 15 A. It's impossible. It's impossible. They 16 are not the ones who manufacture but they was the 17 ones who were deciding whether or not Spain would 18 manufacture for on our behalf. 19 MR. STEWART: Okay. Why don't we take 20 just about 10 minutes. Okay? 21 MR. BOSTWICK: Okay. 22 THE VIDEOGRAPHER: The time is 11:42:24.	11:41:26 11:41:51 11:42:12 11:42:34	16 Q. -- at least I'm -- and we're getting a 17 little off with my question. 18 I'm looking for contacts that you had 19 with people at Laboritorious Belmac in the period 20 1992 to 2000. And you've told me Perez de Ayala. 21 Did you have any contact with Clemente 22 Gonzalez?	
1 Off the record. 2 (Whereupon, at 11:42:24 a.m., a recess 3 was taken, and the proceedings resumed at 4 11:53:27 a.m., this same day.) 5 THE VIDEOGRAPHER: On the record. 6 The time is 11:53:27. 7 BY MR. STEWART: 8 Q. Mr. Leduc, would you tell me, please, 9 the people at Laboritorious Belmac in Spain that 10 you had contact with? 11 MR. BOSTWICK: Objection. Time period. 12 THE WITNESS: When? 13 BY MR. STEWART: 14 Q. From 1992 to 2002. 15 A. Perez de Ayala. 16 Q. And who was he again? 17 A. The general manager of Buenos Aires, and 18 later on Bill McSpain. Originally, there was 19 somebody from Onepuik (phonetic). I don't 20 remember the name. Then the contacts, there were 21 several years where I didn't have any precise 22 contacts with -- with Spain but.	Page 83 11:42:40 11:53:38 11:53:59 11:54:22 11:54:48	1 A. It's a name that I know, we probably 2 discussed once or twice when he was at meetings, 3 but he was not my -- he wasn't my regular party. 4 Q. Okay. Did you have contact with Adolfo 5 Herrera? 6 A. That, yes. 7 Q. Okay. And he was the director general 8 of Laboritorious Belmac after Clemente Gonzalez. 9 Correct? 10 A. Yes. 11 Q. Did you have any contact with Fernando 12 Berenguer? 13 A. I got back in contact with the Bentley 14 subsidiary when it became clear that there was 15 going to be a serious problem. At that time 16 Herrera, yes. 17 Q. I'm sorry, I don't know that name. How 18 do you -- how do you spell that? 19 THE INTERPRETER: Herrera? 20 THE WITNESS: (In English) Adolfo 21 Herrera. 22 BY MR. STEWART:	Page 85 11:57:48 11:58:02 11:58:17 11:58:48 11:59:00

22 (Pages 82 to 85)

1 Q. Oh, Adolfo Herrera, okay.	Page 86 11:59:04	1 the one who was coming from Juan Bulonk?	Page 88 12:02:34
2 A. Herrera.		2 Q. No, no.	
3 THE INTERPRETER: Yes, sir.		3 A. (In English) No.	
4 BY MR. STEWART:		4 Q. This is an employee -- this is an	
5 Q. Go ahead.	11:59:21	5 employee of Laboritorious Belmac. Okay.	12:02:39
6 A. The second name that you mentioned, I		6 A. It's a name that I know but I don't know	
7 think somebody who came to the meeting that I saw		7 what I did with him.	
8 for the first time and the only time at a meeting		8 Q. Okay. Mateo Gasca?	
9 came with an American attorney Mr. Meyer. I		9 A. No.	
10 remember him very well, and if that's the name, I'm	11:59:49	10 Q. Antonio Cabodevilla?	12:02:53
11 not sure of the name, but if that's the same		11 A. No.	
12 person, because he told me very clearly, if you		12 Q. No, okay. Juan Carlos Asensio?	
13 want to have an accident in Spain, I am very		13 A. No.	
14 powerful and you will get absolutely nowhere. And		14 Q. Okay. What was your involvement, if	
15 when somebody tells me you will get nowhere, that	12:00:22	15 any, in negotiating the financial terms between	12:03:12
16 gives us the idea of doing something.		16 Laboritorious Belmac and Ethypharm?	
17 Q. And was that idea to sue Bentley in the		17 MR. BOSTWICK: Objection. Vague.	
18 United States?		18 THE WITNESS: I was not involved.	
19 A. He clearly told me you can do nothing in		19 Again, it was making the calculations and the basis	
20 Spain. I believe he paused because I don't see why	12:00:40	20 of the negotiation was made from the indications	12:03:44
21 we would have done anything more than for the		21 given by -- from information given by Igonet.	
22 patent in Spain, because it was clear that what		22	
1 Bentley was after was the technology and say that	Page 87 12:01:10	1 BY MR. STEWART:	Page 89 12:03:53
2 it was theirs and that was outside Spain and that's		2 Q. Okay. Tell me all the people at Bentley	
3 all.		3 Pharmaceuticals that you had communications with?	
4 Q. You've given me three -- three names of		4 A. When?	
5 people that you had contact with at Laboritorious	12:01:23	5 Q. I'm interested in the period from 1992	12:04:17
6 Belmac?		6 through 2002. And I understand that Bentley was	
7 A. Yes, I give you three names that I		7 Belmac Corporation. To make it simple, all those	
8 remember. I probably met others.		8 people that you believed were employed by Belmac --	
9 MR. BOSTWICK: Objection. I think he		9 let me withdraw that. That could get us into --	
10 said four. But are you -- you all have gone over	12:01:40	10 never mind.	12:04:45
11 four.		11 Let me -- let's go back.	
12 MR. STEWART: There was another person,		12 A. It's a simple answer.	
13 but he was an employee --		13 Q. Okay. Let me pose the question and then	
14 MR. BOSTWICK: Okay. I just want to --		14 we'll have the answer, all right?	
15 MR. STEWART: -- of some other company.	12:01:51	15 Tell me all the people that you had	12:05:02
16 MR. BOSTWICK: -- object for the record.		16 communications with at Bentley Pharmaceuticals.	
17 BY MR. STEWART:		17 A. As with -- as with all the customers,	
18 Q. Just so that I -- that I have it, that		18 it's the president generally, and his secretary.	
19 we're clear, did you have any communication with a		19 And I have no reason to have contacts with any	
20 man named Monterde?	12:02:02	20 other than that.	12:05:24
21 A. That's the name that's -- rings a bell,		21 Q. And who was that?	
22 but is it somebody who has previously -- is that		22 A. I remember having contacts with Austin	

23 (Pages 86 to 89)

1 Young. I remember having a contact with an Italian man, whose name I don't remember. And I think he was in charge of the -- all of the business in Europe. And 95 percent of the contacts were, I believe, Jim Murphy.	Page 90 12:05:31	1 really no reason. 2 BY MR. STEWART: 3 Q. Sure, okay. Did you ever discuss with Jim Murphy the formula that was being used in the manufacturer of Omeprazole and Lansoprazole?	Page 92 12:09:43
6 Q. Anyone else?	12:05:59	6 MR. BOSTWICK: Same objection.	
7 A. No, not that I remember.		7 THE WITNESS: I don't see the reason why we would have discussed a technical problem like this. Jim knew perfectly that taking Jim the formulation were housed, so why would he have asked 12:10:27	
8 Q. How many times did you -- how many times did you meet with Mr. Murphy?	12:06:41	11 us what do you think of this formulation.	
10 A. I believe I met him for serious discussions approximately four times.	12:07:03	12 BY MR. STEWART: 13 Q. That all may be, but I -- all I need to know is whether you have a memory of discussing 15 with Jim Murphy a formula for manufacture of 16 Omeprazole or Lansoprazole?	12:10:43
12 Q. And was that between --		17 MR. BOSTWICK: Objection. Asked and answered.	
13 A. I also saw him one maybe two or three times in the -- on the premises of Ethypharm in France. But I just -- just, at that time, simply said hello and two or three words. There were so many present, so there was no reason to.	12:07:28	19 THE WITNESS: No.	
18 Q. And this was from the time period of 19 1995 to 2002?		20 BY MR. STEWART:	12:10:52
20 A. Yes.		21 Q. No?	
21 Q. Okay. And approximately how many times do you recall talking to Mr. Murphy on the		22 A. No.	
1 telephone in the same period?	Page 91 12:07:36	1 Q. Okay. Did you ever discuss with Jim Murphy the type of machinery that was being used to manufacturer Omeprazole, Lansoprazole, or pharmaceutical products for Ethypharm?	Page 93 12:10:54
2 A. Approximately, the same number of times.		5 MR. BOSTWICK: Object on vagueness 6 grounds.	12:11:35
3 Q. Approximately, four times for serious --		7 THE WITNESS: Not in detail but the -- 8 not in detail, but the matter of the investment of 9 the volume to be invested, that's something he 10 probably discussed with me. Whether or not it was 11 to be a hundred thousand dollars or \$2 million, but 12 he probably discussed that with me but I cannot 13 confirm.	
4 A. Four or five times, yes. But in those cases, I don't need to say hello because we are to 6 discuss problems.	12:08:05	14 BY MR. STEWART:	
7 Q. I'm sorry. It was or was not to say 8 hello?		15 Q. Okay. Did you discuss with Jim Murphy 16 financial terms between -- let me withdraw that.	12:12:10
9 A. It was not to say hello.		17 Did you discuss with Jim Murphy the 18 price to be charged per thousand doses of 19 pharmaceutical product?	
10 Q. It was not to say hello.	12:08:16	20 A. No, not the price, but the method by 21 which we could reach an agreement to share the 22 margin, that I discussed with him. And part of	12:12:35
11 A. It was to discuss problems.			
12 Q. Okay. When did you start using e-mail, 13 if ever?			
14 A. Five, six, seven years ago. But I'm the 15 only one not using it directly, always with a 16 secretary, never directly. In other words, he 17 cannot find an e-mail coming directly from Gérard 18 Leduc to somebody on the -- from the outside.	12:08:49		
19 Q. Did you ever discuss with Jim Murphy 20 production methods?	12:09:24		
21 MR. BOSTWICK: Objection. Vague.			
22 THE WITNESS: No, no. But there was			

24 (Pages 90 to 93)

1 the -- the details then were later strongly 2 discussed by Claude Dubois who had all the elements 3 to discuss the elements of price and also 4 quality --	Page 94 12:13:10	1 Q. Was this the meeting with -- with Dubois 2 and Murphy in February of 1997? 3 A. No. No. I think it's before that that 4 Dubois came to see me and said, Look, nothing is -- 5 nothing is going anywhere. So we have to ask him 6 to come by and we have to meet with him. I think 7 it was before that.	Page 96 12:15:59
5 Q. Was that -- was that -- 6 A. -- which was our problem.	12:13:29	8 Q. Okay. 9 A. But Dubois was also very concerned about 10 the lack of capacity to produce quality products 11 and by the noncompliance of Laboritorious Belmac.	12:16:34
7 Q. Which was?	12:13:32	12 Q. Did you have any discussions yourself 13 with Mr. Murphy regarding lack of capacity and lack 14 of compliance with GMP?	12:16:55
8 A. Our problem.		15 A. Yes, but briefly. But the dilemma, the 16 main problem was to solve the quality issues 17 because they had come to see me to see if we could 18 expand the agreement.	12:17:31
9 THE WITNESS: (In English) A big 10 problem.		19 Q. Okay. When did he come to tell you that 20 -- when did he come to see you regarding expanding 21 the agreement?	12:18:13
11 BY MR. STEWART:		22 A. After some people left. After	
12 Q. The discussion regarding the method to 13 reach an agreement on price, where did that 14 discussion take place?			
15 A. I don't remember. But there were 16 discussions with --	12:14:22		
17 (Interrupted translation.)			
18 Q. I'm sorry, the first answer is I don't 19 remember?			
20 A. Yeah, I don't know anymore. I don't 21 remember.	12:14:28		
22 Q. Okay.			
1 A. There have been discussions with Igonet, 2 Adolpho, then a general director, I don't remember 3 the name, who had proposed -- oh, yes -- three 4 ways --	Page 95 12:14:31	1 discussions, at least three or four discussions 2 with Pierre Germain.	Page 97 12:18:25
5 (In English) To split the margins. 6 (Through the Interpreter) -- to split 7 the margins. There were royalties and fixed fees 8 for those --	12:14:42	3 Q. Discussions that Murphy had with Pierre 4 Germain?	
9 (Interrupted translation.)		5 A. Yes.	12:18:43
10 Q. Was this a general director of --	12:14:58	6 Q. And what was the date of that meeting?	
11 general elect -- general director of Belmac?		7 A. I don't remember. 2000, 2001.	
12 A. Yes.		8 Q. Okay. Now Dubois left, he told us, in	
13 Q. Okay. And do you remember his name?		9 around February of 2000?	
14 A. No, I don't remember who it was at the		10 MR. BOSTWICK: Objection. Form.	12:19:16
15 time.	12:15:15	11 BY MR. STEWART:	
16 Q. And do you -- do you -- do you remember 17 whether Mr. Murphy was part of that discussion?		12 Q. So does that -- does that refresh your 13 memory as to when the meeting was with Murphy?	
18 A. He was not part of the discussions 19 between Igonet and the Spanish, but I know that		14 MR. BOSTWICK: Objection. Form.	
20 because nothing was coming out, Claude Dubois came	12:15:52	15 THE WITNESS: I think there were 16 contacts with Pierre Germain starting in September.	12:19:37
21 to see me and said, Well, now, we have to discuss 22 with Jim Murphy because everything is blocked.		17 BY MR. STEWART:	
		18 Q. Of what year?	
		19 A. The year of Claude Dubois' departure.	
		20 Q. Yes.	12:19:49
		21 A. And there must have been things that 22 were said, and we probably met in February or March	

25 (Pages 94 to 97)

	Page 98 12:20:04	1 of the following year. I think there were also, 2 independently of Pierre, some contacts with 3 Patrice. I don't know what -- how intense they 4 were, because Patrice and Jim got along pretty well 5 on a personal level.	1 marked as the next exhibit, a Note Interne, Exhibit 2 10 or 11?	Page 100 12:24:22
6	Q. Okay. So what is your best recollection 7 of the meeting that you had with Jim Murphy -- what 8 is the best recollection of when you had this 9 meeting with Jim Murphy regarding expanding the 10 relationship with Ethypharm?	12:20:31	3 MR. MINGOLLA: Exhibit 11. 4 MR. STEWART: For some reason I'm 5 missing 10. Do we have 10?	12:25:05
11	MR. BOSTWICK: Without the benefit of 12 the documents?	12:20:52	6 MR. BOSTWICK: That's Exhibit 10. 7 THE WITNESS: (In English) This one, 8 yes, 10.	12:25:05
13	MR. STEWART: Right.		9 MR. STEWART: Okay.	
14	MR. BOSTWICK: You can answer.		10 MR. BOSTWICK: The 10 just --	12:25:05
15	THE WITNESS: I think it was the spring 16 of the following year, so it was the spring of -- 17 Claude Dubois left when?	12:21:15	11 MR. STEWART: Well, let's go off the 12 record for now.	
18	BY MR. STEWART:		13 MR. BOSTWICK: Yeah.	
19	Q. He told us, as a -- as a functional 20 matter, he left in February of 2000.	12:21:30	14 THE VIDEOGRAPHER: The time is 12:24:52.	
21	MR. BOSTWICK: I'm going --		15 Off the record.	12:25:06
22	THE WITNESS: There's a chance that --		16 (Discussion held off the record.)	
			17 THE VIDEOGRAPHER: On the record. The 18 time is 12:28:44.	
1	MR. BOSTWICK: I'll object to the form.	Page 99 12:21:38	19 MR. STEWART: Okay. For the record, by 20 agreement of counsel, the document which is a fax	12:29:03
2	THE WITNESS: -- that was the spring of 3 2001.		21 cover sheet from Adolfo Basilio, and faxed 22 information dated October 11, 1992, with an	
4	MR. BOSTWICK: Object to the form and 5 manner of questioning.	12:21:46		
6	MR. STEWART: Okay.			
7	BY MR. STEWART:			
8	Q. Mr. Leduc, turn to Exhibit 1.			
9	Well, I was looking for an allegation in 10 the Complaint that referenced a meeting in 2001 but 11 I don't see it. So -- so I'll have to simply ask 12 you. Tell me what -- who was at this meeting that 13 we think was sometime in the spring of 2001.	12:22:43	6 And also, the document which was just 7 identified with Bates No. EP 003283, a Note 8 Interne, is -- has been marked as Leduc 10.	12:29:36
14	A. Simply Murphy, Pierre Germain, and 15 myself.	12:23:21	9 Is that acceptable?	
16	Q. Okay. All right. All right. Well, I 17 think -- I think I may have a document that may 18 help you.		10 MR. BOSTWICK: That confirms and counsel	12:30:01
19	A. (In English) Okay.		11 concurs.	
20	(Leduc Deposition Exhibit No. 10 was 21 marked for identification.)	12:23:30	12 MR. STEWART: Okay.	
22	MR. STEWART: Okay. Let's have this		13 BY MR. STEWART:	
			14 Q. Mr. Leduc, tell us what this Note	
			15 Interne is, Exhibit 10.	12:30:10
			16 A. This note is a summary of what was	
			17 discussed in two different groups. I thought it	
			18 was in the spring but no. Obviously, it was in	
			19 November.	
			20 Q. This the same meeting that you were	12:30:39
			21 referring to; is that right?	
			22 A. Yes.	

26 (Pages 98 to 101)

1 Q. Before we get into the details of the 2 Exhibit 10, tell me how the meeting came about. 3 MR. BOSTWICK: Objection. Asked and 4 answered.	Page 102 12:30:44	1 Q. And in the translation it says, It was 2 agreed that Ethypharm send a draft contract to 3 Belmat -- Belmac, paren, capital GC, paren, before 4 mid-December."	Page 104 12:34:46					
5 MR. STEWART: Come on. 6 THE WITNESS: I think Pierre Germain had 7 several contacts with Jim Murphy and told me now he 8 wants to see you in Paris to settle the problems. 9 BY MR. STEWART:	12:31:04	5 THE WITNESS: (In English) GC -- GC, 6 what is GC? 7 BY MR. STEWART:	12:35:01					
10 Q. What was the problem? 11 A. The problem was that, first of all, we 12 still didn't have a contract, a signed contract. 13 Secondly, that they were suggesting the 14 transfer of the know-how also for the acquiesce 15 form. And we also wanted the possibility to 16 provide Spanish customers with this formulation. 17 So that we wanted to be able to either 18 directly, or through Belmac, to supply Spanish 19 customers with formulations that were previously 20 exquisitely from Belmac.	12:31:28	8 Q. That's what I was going to ask you. 9 A. (In English) I don't know. If it's me, 10 the GL, I cannot this -- GC, I don't know. 11 MR. BOSTWICK: I'm sorry, Craig. Which 12 meeting are you reading from, the one with him in 13 it or --	12:35:11					
21 Q. And you had this discussion with 22 Mr. Leduc, with Mr. Murphy, and Mr. Germain; is	12:32:44	14 MR. STEWART: No, I beg your pardon. 15 Yeah, I was reading the wrong one. I 16 was reading the wrong one. I -- I was reading, you 17 know, the -- let me start the question again. I 18 made a mistake. 19 THE WITNESS: (In English ) No problem. 20 MR. BOSTWICK: And I'll just -- before	12:35:34					
1 that correct? 2 A. You said Leduc. 3 Q. Yes, sorry. You're Mr. Leduc. 4 At the same time was there also a 5 meeting between Mr. Liorzou, Mr. de Basilio, and 6 Mr. Herrera? 7 A. Yes. 8 Q. What was the subject of that meeting? 9 A. No more problems between the local 10 subsidiaries. But they were not concerned with our 11 strategic discussion. 12 Q. Turn to the Note Interne of the meeting 13 with Mr. Liorzou, Mr. de Basilio, and Mr. Herrera. 14 I would ask that the -- our translator 15 Mr. Devynck translate -- let's see -- let me 16 withdraw that. 17 There's a translation which we have 18 appended to the Note Interne of the meeting with 19 Liorzou to de Basilio and Herrera. 20 A. (In French) Oui. 21 Q. Do you see that? 22 A. (In French) Oui.	Page 103 12:32:59	12:33:12	1 MR. STEWART: Yeah, 2 MR. BOSTWICK: -- to the extent you're 3 asking him questions, you appear to be asking just 4 based on his reading of this document? 5 MR. STEWART: That's correct. 6 BY MR. STEWART: 7 Q. The document I'm referring to is 8 EP 003284. Do you have that? 9 A. Yes. 10 Q. And -- 11 MR. BOSTWICK: Let me -- may I make one 12 other -- is he supposed to be looking at the French 13 version so he gets a clear view of what was 14 actually written or is he supposed to be looking at 15 the -- or the rough translation? 16 MR. STEWART: Well, I will -- I will -- 17 I will read the translation because I can't read 18 the French. Then I'll ask him a question. 19 The trans -- translator will -- will translate. 20 MR. BOSTWICK: Okay. 21 Why don't you look at the French. 22	Page 105 12:35:55	12:36:04	12:36:18	12:36:27	12:36:43

27 (Pages 102 to 105)